



CALIFORNIA VETERANS BOARD
GENERAL SESSION MEETING #668
Friday, May 14, 2004 – 9 A.M
Clovis, CA 93612



GENERAL SESSION:

The California Veterans Board (CVB) monthly public meeting was called to order at 9 A.M. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Leo Burke, Members Judy Gaze (San Diego).

Tom Craft led the invocation. Don Black led the Pledge of Allegiance.

Chairman Sinopoli introduced the members of the Board, and possible board member sitting in the audience. The board does not have a quorum so there will be no voting on any measure. Introduced Dr. Vernon Chong who is being considered as a possible board member. Introduced Joe Maguire, Legal Deputy Secretary and Executive Officer Sandra Munoz.

Secretary Thomas Johnson introduced Deputy Secretary of Legislation and Public Affairs Robert Glazier, Robert Johnson, Director of Capitol Development and Construction, and Debra Lehr, Chief of Farm and Home Division. Debra Lehr introduced two staff members from Fresno and Bakersfield office.

Chairman Sinopoli commented on the prior day event of the funeral of Senator Pete Knight and asked for a moment of silence in his honor. Welcomed the audience and asks to introduce themselves.

Audience introduced themselves.

April 23, 2004 minutes could not be approved due to lack of quorum

OLD BUSINESS

Director Robert Johnson, Capitol Development and Construction reported on three topics to be discussed. Going to be discussing three particular topics. First the status and the development of Greater Los Angeles, Ventura Counties Veterans Homes, the status and development of Fresno and Redding project and a brief comment on AB1736 the implications on the budget year. A brief summation first about GLAVC, so we are all reading from the same page. The Legislation which

came up in 2002 made this possible. The USDVA has received an application from us for a Veterans Home called the Greater Los Angeles Venture Counties Veterans Home. The Veterans Home will be a new model for the State of California and in some ways for the Nation. It is one Veterans Home on three campuses. The three campuses are of course Lancaster, Ventura, and West Los Angeles on the campus of the Greater Los Angeles Healthcare System Medical Center in West Los Angeles. The purpose of this was to have efficiency and better services at our Veterans Homes, to simplifying administration sharing of services, resources, guarantying the best possible care for veterans, by having skilled nursing our skilled nursing unit of this Veterans Home at the West Los Angeles campus where we have the finest geriatric care in the Nation between the Veterans Medical Center and UCLA geriatric Medical Center. There is a medical reason why we want our people in West Los Angeles and of course improved services delivery efficiency by centralizing purchasing and personnel and variety of other issues, which would make it a more efficient and better usage. We are moments from signing the memorandum of understanding with the USDVA the greater Los Angeles health care system in which we are going to develop a partnership between CDVA and the Federal Government's branch in West Los Angeles. Our members of the GLAVC will receive in house treatment of our Veterans as just as USDVA domiciliary at their campus would receive. Same medical care, in other words just the exact treatment there own members get. Of course this MOU which when completed and finalized we are looking for an opportunity to sign it. This MOU does not say this Veterans Home is a done deal, what it does say is it defines the relationship between the State CDVA and the Greater Los Angeles Healthcare System. It says how we are going to look at our relationship, how we are going to decide what services we are going to share, what we are going to contract what they will contract from us, it sets up the frame work for going forward in the project. This was requested by the USDVA and it makes a lot of sense to us and we are ready to go forward with it. There are three homes, these are some of the pictures some of you have already have seen, this is in terms of review. On the corner of West Avenue I, 30th Street in Lancaster, will be built the Lancaster Campus of GLAVC and initially designed as the State Legislation the requirement is that it cannot be smaller than 60 beds RCFE, Residential Care For the Elderly and the ability to take 50 members into an adult day health care program. ADHC, will be new work for the state but ADHC we believe is the wave of the future as of with USDVA. ADHC permits people who need care to stay in their homes longer to stay with their families longer, family care giver relief and provides medical treatment system and residential model, an onsite care model for those who need it. ADHC will be new business to the state and the federal is very interested in ADHC. If the need should arise and the money should be available in the future the Lancaster Home designed to be built out up to 400 beds and the same then is true of Ventura. The same plans, the same architectural drawings and it also designed to be built out to 400 beds if the need should arise. Demographics are mixed on this, the need may be there and it may not. That is why the Legislature choice to do it this way. The West Los Angeles Site is by far the lynch pin of the Home, and I know many of you been to the Medical Center in West Los Angeles and if you know those big three, four story buildings that are painted pink that would be this big building here and this would be our building here. This would give you the sense of the scope of what is happening at this campus and how massive the structure will be. It is a huge investment for the state and federal government in the future health care profession in the State of California. The principle change between our current veterans home and the new model is a change from shared bedroom to four members sharing a bath to the new model which is certainly more towards the health care standards of the industry which are three individual bedrooms, separate bedrooms, private bedroom sharing a bath. This of course has some implications we will discuss later. The critical plan phrase we been there for a while we have not been able to move forward because the federal government has required us to stop work and look at the MOU and we couldn't go forward in good conscience until we have the MOU in place. Once that is done and once the federal government is finished reviewing our proposal we will move forward. Cannon Design, national renowned design firm is designing the homes in Lancaster and Ventura and an international renowned architectures and designers are designing the home in West Los Angeles. We currently have

a project scope approved by the public works board of 500 beds in West Los Angeles at a cost of 122 million dollars. For a variety of reasons we will discuss we had to reduce the number of beds in West Los Angeles to 400 which was in the negotiations away which was always possible and we always understood that. The program in Ventura and Lancaster is unchanged backed by Legislation and it cannot change, those programs are going to be 60 beds RCFE and 50 beds ADHC. The current cost of the project currently has ballooned from \$122 million to \$151.75 million. It will be largest project the VA has ever funded and one of the largest healthcare projects that the State have ever done and perhaps the largest it has ever done. This will require a public works board action, which will change the scope of the current project. We have the grant application in with the USDVA but these two changes the cost and the number of beds has prompted us to provide a revised application and the cost including the design in the state program under review now with the USDVA grant program. In fact just yesterday we committed our selves the Secretary myself our architects, Smith Group representatives from the department of General Services and representatives from the program side of CDVA are going to Washington DC will be meeting with grant people, financial people, programmatic people, architectural people next Friday in Washington DC. I know at this time of budget crisis the state is not suppose to travel out of state but it is so critical that we basically leaving to Washington DC and immediately meeting.

Secretary Johnson tell them we are taking the red eye for \$99.

Robert Johnson yes we are leaving on Thursday 12:30 a.m. from Sacramento, meeting all day and coming back at 9:30 p.m. Friday night. Direct from Sacramento to Washington DC. USDVA wants to understand everything you do, we want to understand what your doing and why your doing it, we want to understand the cost because our current application cost after 92 million dollars of their appropriations of 100 million dollars. They have to be dead solid because when they are called to Congress to defend their actions they can make a case. They are prejudice in our favor, but they just need to know every T and every I is dotted and crossed.

Charles Parnell, Audience Is it not true we lost money in the last budget?

Robert Johnson let me explain how this works. The USDVA grant for state homes is awarded to the state as a percentage of construction. We never get money from the federal government until we actually break ground and start construction. You need to be in the right federal year their budget year to start taking their money that is why they have the federal priority list, you are on the list it is when you begin you get the money, so we never lost money that why we have never taken money we can't get money until we start construction until a whole lot of stuff is done and I will show you that in a moment. So we just need to be in the right budget year. Every other state is happy we have not started because we would take it all. It is not a delay we can't just take the money until we are actually in construction so there is a time frame even though we are on the list we could take the money at any budget year but we have to take it the right year because if we don't take it and we don't us it or miss up then we lose it.

Chuck Parnell, Audience in the federal budget year is a two-year budget cycle, if we get the money now we would have to budget years down, is money carried over if not used?

Robert Johnson this appropriation is an annual appropriation, in other words they get 100 million dollars a year every year and if they don't spend 100 million dollars a year they keep it. It doesn't go away or swept up. This is how their budget works.

Charles Waters, Audience are we talking about retirement homes or nursing homes?

Robert Johnson we are talking about mixed used facilities. Our Veterans our members who come to us at whatever level of care they need be it simple domiciliary are going to eventually need skilled nursing facility. So all of our homes are always multi-use. The one in Lancaster, the one in Ventura are residential care for the elderly which are people who are essentially capable of running their own lives but may need help making sure they are taking their medications, kind of a light touch of medical home where they could go to intermediate care with more nursing care and skilled nursing. Our members are going to go through that cycle and so we provide all of that at each home. Just like we do in Yountville and Chula Vista.

Chuck Parnell, Audience what is the primary purpose of the home.

Robert Johnson the primary purpose is retirement. I turn this over to the Secretary and the law because that is not what the California Code calls it. It calls us to provide a health care model. That is what we provide we don't just provide domiciliary.

Chuck Parnell, Audience what is the current term for us to use when referring to retirement home?

Robert Johnson I think the correct term is long-term care. In other words whatever level you are going to need as a member of that facility you are going to get.

Charles Waters, Audience I guess in the verbiage we have using in conversation, retirement home, when in fact would be long-term care. So we are all using the wrong terminology when referring in retirement home we should be using long-term care.

Secretary Johnson maybe I could talk a little bit about it. I think most of the states and we've used this terminology will call it a Veterans Home but within the health care spectrum now it is interesting to see how the equity of patient care needs have really been pushed down. The people that you seeing in the skilled nursing homes now use to be in acute care. The people that you are seeing in the RCFE homes or assisted living and that is what Robert was talking about where activities of daily living are needed. It might be bathing help or nutritional help or it might be medication help. Those are the people we use to see in skilled nursing, the people that we are seeing in RCFE where the people use to be cared for at home. The equity level is really being expanded and the federal government is less in cline now to put up money for a retirement home, they would like to keep people independent, keep them in their own home support, that is what we are going to do in Lancaster and Ventura with the medical model of assistance. So I think a Veterans Home is what I would like to think of as but it is more long-term care.

Debra Lehr I should also say in terms of demographics I've done a lot of work for the last year and a half. The actual number of veterans living will decline between essentially now and 2020. The number of very elderly those over 80 years old actually grow. In other words, the people are going to need this kind of long term care in Veterans Homes. The number is actually not going to decline but will grown even though the actual number veterans decline. This why the VA and the grant program basically is working for two kinds of levels, and three kinds of care, domiciliary care which is simple residential and skilled nursing facility, that is what they give the grant to do. They want the state to do skilled nursing because they don't, the VA does not do skilled nursing, and they want the state to do it. And third part of that three-legged stool is the adult day health care. They want the state to start doing that because they recognize that is where the need is growing.

Tom Craft, Audience from the very onset I agree with what you say in terminology to change this. From the very very on set when we built Barstow and Chula Vista there were three levels of care. One was residential domiciliary one was skilled nursing and the other acute care. There was no one going

home at night, every body that went into a veterans home stayed at the veterans home. There was nothing in program that said they were going to leave after a year or two or three unless they wanted to, they can always leave. The other thing I would add is that in the early days we got federal money and that every one of the beds at Barstow and Chula Vista had to be convertible to Acute Care. They all had to be wired and configured so that if some serious thing occurred, we could take care of it, not a level of requirement for everybody in the home.

Robert Johnson that still remains a part of the health care after 2000, that's still a requirement. Every bed you built regardless of what you plan on using it for has to be convertible into, they don't call it acute the VA calls it skilled nursing into a skilled nursing model. They know the great need, they look ahead they understand the need will be skilled nursing eventually.

Charles Waters part of our problem all along and I think Mr. Chairman bringing Bob Johnson here is so critical because the terminology we've been using is not all the same. In other words half of our concern. First of all our concern is having a facility in this valley with three hundred thousand veterans. Secondly we keep referring to a veteran with a retirement home and were finding out now that the federal government is going away from that but no body has told us so that is why it is critical that we be educated in what they call it and what's available for us and we could work with that. This is an education for us and that we have not been exposed to this terminology and this direction that the federal government is taking about.

George Sinopoli, Chairman I appreciate you coming to the board meeting to hear all this, really.

Joe Maguire, Deputy Secretary Legal Charlie, as the Secretary Johnson said, the law calls it the Veterans Home. It's called the Veterans Homes of California and then they have slash Barstow slash Yountville slash Chula Vista and then they'll have the others.

Charlie Waters, please don't have us here at the tail end, Fresno.

Joe Maguire, I'm in the background here.

Charlie Waters seriously, this is vital to those of us in the veteran community that they're trying to do something for our brothers in arms that we've received this education because we could be more effective and less confrontational because the first thing I wrote down here was my God we are bring taken away from a veterans home to a dam hospital, and that of course causes the short hair in back of my neck to stand straight up but the description or with this explanation.

Robert Johnson the cycle of it being built.

George Sinopoli It is going to be a Veterans home.

Joe Maguire This will be the Veterans Home of California, Fresno.

Charlie Waters Yes that is what we like to hear.

George Sinopoli you like to hear the word Fresno.

Robert Johnson I'm going to glide through some these issues.

George Sinopoli Thank you gentlemen.

Robert Johnson just a brief summary on our funding sources. One was the several bills passed in 2002, four bills were passed in 2002, gave the State the authority to expand 31 million dollars from the veterans home act of 2000 which was a general obligation bond and made an additional two million in each revenue bond available making a total possible money pool of 93 million dollars in State fund. The other source is of course is the USDVA grant program. GLAVC and the reason for all of you in Fresno who want to know this GLAVC is made of 31 million dollars is directed to GLAVC, nine million dollars currently needed for each revenue bond that's towards the construction of the home and that means there is about 40 million dollars left, 40 million dollars total needed for GLAVC of state fund meaning there is currently 53 million dollars in each revenue bond unallocated I unallocated they are meant to be used for Redding and Fresno.

Charlie Waters they are unallocated?

Robert Johnson they are directed until we actually say what they are to. There are three factors.

Tom Craft could we go back to that previous line. The State funds for the greater Los Angeles process which include Saticoy and Ventura. That money, the general obligation bond is that Proposition 16 you're talking about?

Robert Johnson Yes, Proposition 16 Veterans Home Bond Act.

Tom Craft Proposition 16 is very specific about how that monies to be spent. Yountville, Lancaster and Saticoy.

Robert Johnson and others as needed.

Tom Craft I don't recall that, did you rewrite Proposition 16.

Robert Johnson if the Attorney General assures us that Proposition 16 is to be used for new homes in Lancaster first, Ventura second and others as needed.

Tom Craft the bill stops at 60 million is that correct?

Robert Johnson is 50 million.

Tom Craft that is 50 million dollars Yountville, Lancaster, Saticoy. Lancaster and Saticoy were in there for 12 million each.

Robert Johnson No, the bond fund of 2000 does not specify how much money for what.

Tom Craft I guess that came out of California Department of Veterans Affairs at some point because we've been talking about those numbers for many years now.

Robert Johnson no, I don't know what to tell you, Senator Wesson's bill and Senator Johannessen's bill directed 31 million dollars of that 50 million for the construction of GLAVC, Lancaster, Ventura and West Los Angeles. In legislation there is no amount of money dedicated to any one given home. The only restriction legislation is that it is going to be 60-beds RCFE and 50-bed adult day health care in Lancaster and Ventura.

Tom Craft Proposition 16 was passed by the voters. GLAVC wasn't on the radar screen.

Robert Johnson right.

Tom Craft GLAVC come along after the voters passed proposition 16.

Robert Johnson once again to make sure we understand the VA instructed the department pretty much no uncertain terms they were never going to build a 400 bed in Lancaster so GLAVC was invented in the way to access those funds get a hold of Ventura and Lancaster and where we needed one in the middle of Los Angeles County where we have most veterans live. Most veterans live within 50 miles of West Los Angeles than anywhere else in the State so that was the purpose of GLAVC. It was designed to be able to access the proposition 16 money to fulfill the intent of the law and get something for everybody. Lancaster has been on the VA list for some years, and was not fundable.

Tom Craft we were the highest priority 29 out of almost a hundred priorities for a couple of years.

Robert Johnson they told us for no uncertain terms we were not going to get it especially because of Barstow continued to be half empty. I'm just talking straight out, I want you to know.

Charlie Waters that's what we want.

Robert Johnson I'm talking truth. And so GLAVC was an attempt to meet the greatest need for the moment.

George Sinopoli talk louder.

Charlie Waters I wanted to know how old are these figures?

George Sinopoli I wanted everybody to hear him.

Robert Johnson as of this week.

Charlie Waters could you make a copies of these?

Chuck Parnell these were updated from when they were originally brought forward.

Robert Johnson absolutely

Chuck Parnell up to now, not from where they were. That is the purpose in holding this meeting to make sure that the new updated numbers are valuable for us to know about.

Charles Waters because we have to go back and tell our people in the central valley. Could we have a hard copy of that.

Robert Johnson I could provide a little more detail. I'm sure George Sinopoli could provide you with copies.

George Sinopoli I want to hear you guys out there.

Robert Johnson there are three reasons why particularly that GLAVC project price has gone up so significantly. First, think back to that three-bedroom model. That is what our veteran's members in Chula Vista, Yountville and Barstow told us they wanted. They said that was the biggest improvement in life would be that they didn't have to share a room, so that was one thing we set out to do that, cost a lot more money. Secondly, the USDVA program has decided that the State of California spends too much money on sup projects for vision, overhead, environmental testing a whole bunch of stuff. It's kind of special to California and so they take a chunk of our cost and say that those are not allowable for participation on grants, you pay 100 percent of those cost so that has driven the price too. And lastly inflation driven cost as it takes longer to do the project it becomes more expensive. In other words project cost with USDVA means allowable, a 65% allowable cost makes 35%. The grant program says that the State of California has too much cost beyond what they want to pay for. Project cost with the USDVA seems either solely state expense and that includes excessive project management cost, excessive project inspection fees and excessive architectural and engineering fees. Of those cost the USDVA says that State spends too much and we pay 100% of those dollars. So that does drive the cost up, many of the additions, inspection fees. A good deal of project management is mandated by state law. The Secretary is working very hard to make our project as efficient as possible. A good deal of it is structural to state government. We are going to squeeze every dollar we can.

Secretary Johnson I'll give you one example you know you mentioned Yountville earlier as part of this GO Bond project. We have three projects going on at Yountville, one is Annex redo another is a water project and another is an electrical project. We looked at the department of General Services budget for that, these projects run concurrently. They had individual inspectors for each project to a total cost of almost half a million dollars. These projects run from 360 days to 540 days but they allocated individual inspector for each project individual travel cost etc, so we said why can't you just get one inspector assign him up there we'll get him an office at Yountville we'll provide him with all of the support he doesn't need to travel, he can be one inspector assigned there and he could do all three projects at once. They said, well gosh we hadn't thought of that, coming from private enterprise there are a lot of things you can do to reduce expenses, there are some things you can't, it's the way state requirement, systematic, environmental, historical analysis, Yountville is an hugely importantly historical site. So there's a lot of things built there that may have to be considered that wouldn't have to be in a new building out in Lancaster lets say. So we did run into cost that we can't do anything about but there are other costs we are negotiating and trying to see if there is a better way of doing things. It is a difficult process to work through state government that has been in place with these things for 30 years or whatever.

Robert Johnson we will complete preliminary plans in November 2005 and I know that seems like a long time away but there is an awful lot that has to be done. One of the hardest and biggest chunks of that is the environmental impact report. We need to remember that the environmental impact report is not about an impact upon bird species. The EIR is all about the neighbors of the Home, traffic studies, their response to the architectural design and the building in West Los Angeles you can imagine a touch of political involvement with people there, and so that is going to take time, chunks of it will require by state law, so many days you have to wait 45 days for legal review, 30 days for public comment so between now and then the earliest we can get it done is November 2005. That is when we submit the entire 35% schematic drawings, the whole thing to USDVA. In July 2006 that is when we'll request the conditional approval and we're going to say we want to take money in the 2007 budget year. The year it start October 1st 2007. We want to take your money because we are going to complete the working drawings September of 2007 and were going to begin construction of March 2007. That is when we can begin billing the federal government for grant loans and so we want to be in that federal budget year. We are going to occupy Lancaster, Ventura in May of 2008, West Los Angeles, May 2009.

Secretary Johnson Robert I would like to say one thing. That is a revised schedule from what we were dealing with one month ago and it is a revised schedule from what I was dealing with when I came into the office February 17th and I don't like to see a revised schedule that pushes it back any further until this week. I didn't think we were going to have to push back any further but with the public works board involvement we are now on their agenda for August. That is the soonest we could get on their agenda. We don't have a project until they finally bless it. I'm not happy with this schedule it's 6 months later than what I presented to this board a month ago and what I presented to other veterans groups. This is the first time I've seen these numbers but Bob and I talked about it yesterday and we know we were going to have to push it back and I'm going to be interested to talk to the architects now if they are going to be there to really make sure this schedule is adhered to.

Robert Johnson we need to keep in mind that legislation authorizing Fresno and Redding home requires the funding from GLAVC first. That's why I spent so much time on it so you all would understand it because GLAVC has to be first, that's the law. The legislation intended to fund GLAVC Redding, Fresno after the money paid out. The estimated cost and the scope of Fresno is going to be 300 beds skilled nursing and residential care for the elderly, multiple levels of long term care, and 97 million dollars total budget approximately 46 million dollars from the State of California. The estimated state scope and cost of Redding is 150 bed skilled nursing residential care for the elderly facility 49 million dollar total budget, 23 million from the state of California, we need 53 million dollars. Both of the projects are on the priority list, their down in the 20's. We have to request the VA don't consider for funding until we finish assuring that GLAVC is going to be built. The 53 million dollars may be insufficient for these three reasons. There are augmentation project costs, the department of Finance as we speak today is reviewing how they are going to handle augmentation project cost. Augmentation not construction contingency. Augmentation, you take the total project cost, you augment it by 20% in case something really unknown happens. We used augmentation funds at Chula Vista, for those who remember we hit a rock at the mountain. We didn't know we were going to hit a rock, we ended up using augmentation funds because there was an unknown site condition.

Tom Craft that is why they didn't build a school on it for 20 years.

Robert Johnson and lastly cost driven up by international circumstances and that is what the state right now is facing. The state contracts with 20% or 30% increase greater the principal reason is copper steel, China is consuming most of what we ship right now, very expensive. Secondly, wood, we don't harvest much wood in California anymore, we harvest it for other countries and they are sending it to China as well. And lastly the cost of copper wire is expensive right now and China is experiencing 7% and 8% growth in a economy of over a billion people you can imagine how many resources are needed. The department of finance is working on resolving the issue regarding augmentation depending upon their take of the law, believe me it is the interpretation of the law, we may need additional money. If we do, I am authorized to tell that the State, this department, and the Governor's office is committed to these projects and will go forward with additional funds. Let me tell you what I am not prepared to tell you. I'm not prepared to tell you when we are going to start building the Veterans Home in Fresno, I can't, I have to guarantee that GLAVC is in place, the funding is in place and we could do that project then I can plan for Redding and Fresno. The current thinking is we have to determine which one of those are going to receive first, it seems most of the veterans are probably in Fresno but that seems to be sketchy. You can ask the Secretary to help make that decision.

Secretary Johnson I think that makes sense but not that it is up to me but it does make more sense.

Robert Johnson AB 1736 cleans up a lot of the language from the initial legislation. Once we have 1736 activated and it become activated after July 1st.

George Sinopoli any particular reason why?

Robert Johnson well Senator Peter Knight got his hooks on it and tried to make things happen and what happened was it didn't get considered as of an emergency bill. He prevented it because he wanted to put language in it so that Lancaster would be built right away, which can't happen according to legislation for the VA. So he held onto the bill and the bill didn't go through. It went into a regular pool of bills that don't become law until the next budget year.

George Sinopoli the Governor can pull this bill if he wants to, am I correct and sign it?

Robert Johnson he could accept, the decision was made and I'm here to support the Governor.

George Sinopoli I'm supporting the Governor.

Robert Johnson to sign no bills of this nature, in other words if he signs our bill then education would want their bill signed, health services would want their bill signed, he made the decision, they made the decision that none of these bills are going to be signed and he didn't sign anyone of them.

George Sinopoli put it this way, I support the Governor 100% no two ways about it but by the same token a bill has been pulled and has been signed.

Robert Johnson it has not been signed.

George Sinopoli not this one, another bill in this conjunction same way has been pulled has been signed. It is his privilege.

Robert Glazier, Deputy Secretary Public Affairs & Legislation It was the case my understanding that there was going to be a project that was going to lose federal money. In our case we will not lose federal money.

Chuck Parnell I understand we lost a year.

Robert Johnson No

Robert Glazier 1736 is a clean up language bill that will authorize money that Dr. Johnson was talking about to make sure we can continue doing the plans for Fresno and Redding which have already been started. So it is a matter of making sure that happens but until the budget gets passed next month.

Chuck Parnell the Governor has made the policy and he has violated his own policy by signing that one bill regardless he signed it, he had a policy he circumvented his own policy and now he refuses to sign this one and this one does not cost the state anything, am I correct? The bond does not come out of state budget.

Robert Glazier let me say this, it really does effect state budget because bonds are released until the project ultimately are complete and until then every dollar spent comes out of the general fund. We don't get any money from the federal government until we begin construction.

Chuck Parnell I have a little difficulty with our Governor when he says one thing and turns around and does something else. I know this is typical political maneuver.

George Sinopoli (gavel)

Robert Johnson let me tell you what I do know about not signing 1736, in no way has effected the project development for Redding and Fresno. It has delayed the state starting the work to accept the land but that process is going to start with the new budget year and has no effect on the actual perceivable end of Redding and Fresno.

George Sinopoli Bob you know we have a city official here. He is ready to hand us the deed for Fresno and I know you know it, but I want the public to know it. Are you getting your questions answered Bruce?

Bruce Barnes Yes. I'm hoping that when the budget is adopted in several months.

Robert Johnson I have commitments from the department of finance that when the new budget comes around we are going to accept the land.

George Sinopoli to accept Fresno?

Robert Johnson and Redding.

Charlie Waters we want it like we talked last time as long as we keep everything on the table and we all know where we really are.

Robert Johnson the Secretary has laid out a straight out call to you telling you guys telling you folks the truth.

George Sinopoli Charlie I can appreciate what the Secretary is doing, believe me, I think he is doing a good job informing us what's going on, good or bad, you follow me and I am please what the Secretary is doing and I appreciate Bob Johnson's presentation this morning. Thank you very much for coming here but I have two requests already. Even though you may have heard already but we want copies of your presentation.

Robert Johnson Yes sir.

George Sinopoli you said you would give it to me?

Robert Johnson I want to give it more detail.

George Sinopoli and I want to give then out to whoever asks for them, thank you.

Robert Johnson I want you to see this picture, it is the departments plan to use this design, this wonderful three bedroom design which I go back to, this is what we are going to build in Lancaster, this is what it could be expanded to and the purpose of it being expendable is we could expand to any amount to 150 in Redding to 300 for Fresno. Our design can be used in this cutting edge design for the homes in Redding and Fresno. So actually the preliminary design that are going on for Lancaster and Venture are going to be used in Redding and Fresno.

Tom Craft so you are saying that the architectural cost for Fresno and Redding are being absorbed by GLAVC.

Robert Johnson some are being absorbed by GLAVC.

Tom Craft a little detail there but the main cost will be absorbed by GLAVC.

Robert Johnson that is correct.

Chuck Parnell is all those modules connected together, so there are no spaces for the people to walk in to one another?

Robert Johnson one of the principal design concepts from Chula Vista and Barstow was we were going to set these building far away because it will encourage the members to get exercise by walking. It didn't work that way. This is the answer to that question, we are going to build all connected. Any other questions.

Charlie Waters we appreciate it and thank you Mr. Secretary. It has helped us, the terminology which was very important, we were working on one premise on retirement home and not understand every time someone would talk it was a nursing facility or the other language. Now we are able to understand that interpretation in a more reasonable way and also the length of time and the money. We know where you're coming from as opposed to being feed bits and pieces by a third party because that is so important to us because we were getting directed Mr. Chairman from the people who are working on it. That helps us when we sit down and have our meetings, we can relay to our people who are asking the questions and we can also work with the city and they know where it's at, they're not being strung out, so thank you very much for bringing it out.

Tom Craft I have a question. In the new design what do you have like Chula Vista in storage?

Robert Johnson this has additional capacity for member storage.

Chuck Parnell is Smith Group doing the design and are they designing all of them?

Robert Johnson Smith Group is designing West Los Angeles, Cannon is doing Lancaster.

Chuck Parnell who is doing Fresno?

Robert Johnson you have to go to bid, we will own the design at that point, we will own Cannon design. It's a long drawn out process.

George Sinopoli any other questions by the audience.

Bruce Barnes I have one more question. On your draft there I see 300 beds, I thought there were 400.

Robert Johnson no, 300. 300 that is what we applied for. The adult day health care portion has not been determined. Whether we are going to go with adult day health care that is still a decision to be made by the department. The state and actually the federal government. We have made the kind of study to determine adult day health care works well with good transportation in high concentration and I'm not sure if Fresno will meet the VA requirement of that. So that is the one thing I can't answer.

Don, Audience one question, I have not heard nothing about spouses.

Robert Johnson Joe, what's the take on spouses in the home?

Joe Maguire the law states that under certain conditions in other words if it is for the benefit for the veteran that spouses can come into the home, and that is the law and that should be applied across the board to all the homes.

Audience the way the design is set up looks like it can't fit a queen bed. How are they going to deal with that if it will be determined that the spouse would be beneficial to be with him?

Robert Johnson the three bedrooms, the two bed rooms that are beside each diagonally, the divider is not a wall but a piece of furniture. It is not connect to the building, free standing furniture and the design at this point is so you can modularly remove parts to connect the two rooms.

George Sinopoli the law says the wife can live with the veterans, so there's not going to be one single bed in one room.

Bruce Barnes I just wanted everybody to know that the project will actually be providing the infrastructure. Right now there is no storm drains but I just wanted to let everybody to know there will be 766 units around the golf course, PIR is underway, the cut off date for PIR was May 5th. The project is moving forward, in about a year or two the infrastructure will be at the site. I just wanted everybody here to know that.

Robert Johnson I have to congratulate Fresno too you have done a great wonderful thing out there.

Bruce Barnes we are planning and doing it and I just wanted everybody to know that.

George Sinopoli any other questions for the department or Bob? Bob I really want to thank you. There are so many questions. It comes to me constantly and I don't have those answers. But by the same token, Fresno's bunch is doing one heck of a job. Keeping me on the straight line to where I have to try to find the answers to the questions. Like I said before, I need a copy of your presentation cause I'll give copies to everybody who wants them. Somebody called me the other day and asked me what am I doing and I said I am constantly working and doing different things. He said you're busy? I said I'm always busy, he said I'm busy too but I work for money you work for nothing, no I said I'm working for the veteran. That was my answer to him, so how soon can I get copies.

Robert Johnson you'll have a copy and a hard copy on Monday morning.

George Sinopoli ok, so give me a week to 10 days so mail can come to me and give me a call and I will have Mary deliver one to you on a Wednesday or a Friday. One of these things I appreciate about what Bob said, if these homes are packed and the demand is there, there's room for expansion. And I hope that fits Fresno too, right Bruce because I know there is another 7 1/2 acres in junction with our's, am I correct?

Bruce Barnes I'm not sure we do have 27 1/2.

Robert Johnson the land we have already will cover the expansion up to the 400, which we need.

George Sinopoli what I see right now Fresno's going to have the nicest veterans home because the golf course is going to surround it.

Joe Maguire Bob in relation to your question, I just want to make one thing clear, this spouse issue. 1012 of the Military and Veterans code controls that and it list some criteria for allowing spouses. One, when space is available, two, joint residency in the best interest in the house member, the home member determined by the administrator, so keep in mind that space has to be available for that to take place.

Bob I wasn't aware that provisions have been made. The drawings have allowed for that situation. I was looking at that, something struck me, I live near Mira mount and that was the lay out for the first class petty officer. The exact same layout, so that is why I was commenting on it and it was the area for a single person was not that great but adequate. You've explained it very well, thank you.

George Sinopoli well we've covered three subjects on the agenda and the next one is the marketing efforts update, farm and home, can the department answer that?

Secretary Johnson Mr. Chairman, under tab B under Debra Lehr's report, the very last paragraph she mentions that she is in the process of completing a Marketing plan for 10/05 fiscal year, a plan that will include strategies, sales goals and discussions of demographics of veterans in California, that hasn't been quite completed. I think we are going to get it next week but with regards to veterans homes, I have asked them to have a individual marketing plan which I don't have yet, but our veterans service people did put together new pamphlets which is on-line and we do not have a number of these printed out yet but I have several that I have brought with me if there is another one that is needed down there, anyways, this does cover all of the services and in brief plan language as we could make it for the types of services that are available for California veterans and marketing is a big issue that we want to do better. I will be anxious to see Debra's plan when she has that prepared.

George Sinopoli you know how I feel about marketing, unless we tell somebody about these homes we don't know about the homes. If we don't tell somebody about the Cal Vet program we don't have a Cal Vet program. The federal bill has not gone through yet, do you know anything about that?

Secretary Johnson the federal bill for?

George Sinopoli 1742.

Secretary Johnson I think I'm going to ask Debra to come up, I know a lot about it but she knows even more and would Debra speak to that if she would.

George Sinopoli excuses me Debra could everybody hear her? Take the microphone Debra because this is a very very important situation, 1742, it is a federal bill and it covers the future of Cal Vet programs. Debra take the microphone here.

Debra Lehr, Chief Farm and Home thank you, I have a very soft speaking voice. AJR 36 was recently chaptered, this measure memorializes the president and congress to enact legislation to enact HR 1742 and S 1349, that would revise provision of the internal revenue code so the qualified veterans mortgage bonds may be issued by a state to fund home purchase and home improvement loans to certain additional veterans. In addition to that on March 24, 2004 the national association of state directors of veterans affairs has opted to state the home loan program resolution urging congress to pass HR 1742 and S1349. I have to say we have been working on this type of legislation since the early 90's and it looks like we have gotten further on it than we ever have in the past. We are actually getting interest from the ways and means committee, they scored our original bill, we may have to come back with some modification but there looks like there are some political will to maybe get this passed this year. In

California both California Senate members and co-sponsors and out of the 53 California members 40 are co-sponsors with the bill.

George Sinopoli tells us what bill Thomas is doing?

Debra Lehr well of course he is the chairman of the ways and means committee.

George Sinopoli that is correct.

Debra Lehr we had hoped because he is from California that it would make it a little easier to bring this out of committee, that hasn't happened, we haven't really been able yet to speak to him that I'm aware of and so there is a little bit of a stale there.

Judy Gaze does anybody have any connection to Mr. Thomas.

Robert Glazier could I go ahead and give anyone his Washington DC number if anyone wants to make a note for Chairman Bill Thomas 202-225-2915. In Bakersfield 661-327-3611 if you didn't get those numbers you can talk to me later after the meeting but you want to talk to him about HR 1742, it will save the Cal Vet home loan program so that the veteran who enlisted after 1977 could continue receiving low interest home loans here in California.

Charlie Waters could you please tell us what his problem is or his reluctance is with this?

Robert Glazier we are not exactly sure there is talk that maybe one of his staff members doesn't feel this type of policy is a favorable policy and so it has been bottled up in committee but if any one of you know him or anyone of his staff your personal call to him or his direct staff would be helpful.

Tom Craft Congressman Thomas, his district now is over the half of the Tehachapi mountain and he now own half of Antelope Valley. His district now comes down through to Antelope hospital, right down through Avenue I, in other words he is now responsible for the land where the Lancaster Veterans home is going to be build on, his local guy in Bakersfield named Bob Blain, I talk to Buck McKean about this bill not Bill Thomas. You're right he is the Chairman of the ways and means and as soon as I get home I will make that call.

Robert Glazier the largest picture of Bill Thomas on his website is him shaking hands with a veteran, we know that veterans are important to him but he needs to know this what is important to veterans in California.

Secretary Johnson one of the things that I've not been real happy with lately was on two occasions now I've called his chief of staff James Smith and I've asked if we could meet with him when we go back to Washington during the Memorial day, Robert Glazier and I are going back and representative from Oregon and Wisconsin and two other states that are very concerned about this bill would like to meet with either the Congressman or Chief of Staff and I can't get a phone call back and James Smith I've known for 10 years, I just don't know where this is on their radar screen. They're concerned about the 229 million dollar federal tax revenue over 10 year period that would be lost as a result of this bond, well, that this 22 million a year that in support of veterans, that's nothing. We've agreed to negotiate with Wisconsin, I don't know if you're going to talk about it.

Debra Lehr I'm not going to talk much about it other than they have scored the bills in other words like the Secretary said they're determining the cost of the bill. They determine that 200 and sum odd million

are too high over two years they would like to see the cost capped at 100 million so were looking at possible ways to bring that cost down that will still be beneficial to us.

Secretary Johnson that's their magic number now, it's 100 million they are saying, let's look at a bill that would be capped at 100 million dollars loss over a 10 year period and were willing to work with them on that and Wisconsin congressman Kleczka is leading the negotiations in this area. We have some concerns with Wisconsin wanting to have more bond money but narrow the pool of veterans eligible, our pool is to keep that pool of veterans open as large as possible and really make that 1977 date go away, so all veterans who served after that date will be eligible for these lower cost loans. We are working with Wisconsin and trying to come up with a compromise that will get the best of both worlds in this area.

Debra Lehr one other piece of good news we just got yesterday was Pete Stark who is a member of ways and means have just agreed to co-sponsor the bill.

George Sinopoli He's from the Bay area isn't he. Any questions.

Charlie Waters just a comment, a veterans a veteran, we just need to get that through his head. Once we get these veterans organized, we meet next week when we get all of these veterans organized from all the different organizations and the head of all these organizations will contact him. I promise you that they represent thousands of veterans.

George Sinopoli like board member Gaze said, we need to contact him nose to nose. Telephone calls die by the wire just like Secretary Johnson said sometime they don't even return the calls, but Bill Thomas is the Chairman of the Ways and Means am I correct? As far as I'm concerned it's on his desk and that's where it stays, so we need to contact him personally, not by phone, not by writing, if we could get through his office than that's the way we got to go. Thank you, Debra, thank you very much. Mr. Secretary on this MWRP trailer bill history any comments on it?

Secretary Johnson well I think what we know about it is that the Senate has rejected our request to change the military and veterans code and to allow the money to come in from uncompensated care or from veterans estates to be reimbursed for the cost of uncompensated care of the veteran. The Assembly has approved that and it went to conference committee. If it does come out of conference committee, a trailer bill language would have to be put into place in order to change the military and veteran's code. Robert do you have any further comment on that?

Robert Glazier It has not yet gone to conference committee, we thought that it would but the word is that the Assembly will pull it back from going to conference so in affect it will be dead.

George Sinopoli does everybody understand what that bill is about? Any questions about the bill? Policy Revision Priority for single rooms at Yountville. We won't discuss that at all because we don't have enough board members to go into study what's going on in pertaining to that so until we can get a new board member and go into the study we are going to let it stay like it is. Item six, Debra just talked about HR 1742, I agree with the Secretary 100% a veterans a veteran and not cut his off by a certain date, you follow me. It doesn't help, it helps the program at a point but we can see the end of it. Judy do you have a comment on this?

Judy Gaze I'm sorry I missed it.

George Sinopoli I'm sorry I thought I missed something. Status on bill 1919, I understand it is a dead issue because it didn't get in at a proper time, is there another bill or substitute for that one?

Secretary Johnson No, not that I know of, was going to be held over, I think if that is the correct terminology.

Robert Johnson it could be introduced next session, but it is dead this year.

NEW BUSINESS

George Sinopoli cost of care at the veterans homes, anybody want to discuss that, Mr. Secretary?

Secretary Johnson this was a request of the late Dr. Feldman who asked we look at the cost of care by level of care at each of the homes, Yountville, Barstow and Chula Vista. You do have a copy of the report but I don't know if it has been put in this agenda, but it was passed out last agenda and it gave a break down of all the homes. I did something else that I would like you to look at so I'm going to pass it down the line. It was his interest to look at the cost of care I thought I ought to look at it as well in terms of the over all philosophy was for the development of veteran's homes in the past. The philosophy was when the federal government provided money for the development of a veterans homes, they anticipated paying 1/3 the cost of care. They anticipated the state general fund would pay 1/3 and through member fees another 1/3 cost of care. Sometimes at a higher level of care that could be paid by 3rd party medical or insurance company. The average member income is \$1,300 per month. The code right now allows us to charge 47.5% maximum cap of \$1,200. We had requested this year in the budget to increase that. The assisted living level to 55% that was rejected by the Governor's office. So that's not going forward but I did was in the sheet I passed out to you I said what is the cost of care then if you just take domiciliary care at the three homes. If you look at the projected cost of care for the next budget year from the report you received last month, were actually going to have a lower cost of care in all of our categories next year than we've had this year. For we have been able to find cost savings already for next year without affecting the quality of care of services. If you take the projected cost of care at Yountville for an independent resident it is a little over \$3000, at Barstow, a resident is a little over \$4000, at Chula Vista it's right around \$3000. What the federal payment is amounts to \$815.00, so you see right off the bat their 1/3 they're not keeping up to their 1/3 and they know that. We brought it up at our state meeting with them saying their lagging behind their original philosophy is not been maintained, at least in California. Their closer in other states but in California they are lagging behind. You can see the member, the 47.5% level is also lagging behind it's \$617.50, the federal payment I think is \$27 or \$29. Does anyone know. I think its \$27.15 per day, that's the per diem. For DOM care it's \$27.19. So you can see that the state level is picking up the lion share and over-all the 57% then of that is the total percentage that the state is picking up. So that is one of the reasons why we look at such things as adjusting the member fees. That's one of the reasons why we look at such things as looking at the morale welfare and recreation dollars especially if it has come in from the estate of members who have passed away and who had a remaining balance of between what was paid and the actual cost of care. There are other ways we could view. We are going to look at how we can provide care more efficiently and effectively and will look at areas of increasing our reimbursements in our private medi-care charges that were charging. We're looking at our charge description master, there are over 4000 charges, and we have in our charge description master for things of procedures we provide or laboratory test so were looking at that . Is there a way we can insure we are maximizing reimbursements so we are looking at all aspects. I thought you ought to know it was initiated by Dr. Feldman and we are looking at cost of care and we are trying to get that in a balance and fair to the members and makes good business sense as well.

George Sinopoli is this per month?

Secretary Johnson Yes, monthly.

Judy Gaze Mr. Secretary, what is the benchmark in the private sector, how much is the cost for this type of care, because obviously there would be medi-care payments but most of it would be worn by the individual and their insurance company.

Secretary Johnson It varies all over the map, if you look at this first figure and what the cost of care is, what a individual pays for in a retirement community, it varies between \$3000 and \$5000 a month. If you were to go to a nice San Joaquin Garden lets say, if were in Visalia Quail Park or something you would be hard pressed to find it lower than \$3000 a month and generally it would be more than that. But it can go all over the map. AARP sends you their estimates on what long term care cost all the time. It's more than this, generally.

Judy Gaze so that is what tells me is that as far as management is concerned we are doing ok with management but the fee philosophy is unrealistic. Expecting a fee from the members and the federal percentage or else we need to substantially increase the charges to the members or lobby the VA.

Secretary Johnson one of the ways of looking at that too maybe there should be a differential in the per diem that the VA pays based on geographical location. The cost of care, the cost of an average home in California is slightly over \$400,000. The medium price of a home in the U.S. it's an \$180,000. So maybe the federal VA system should have a differential geographical like they do in other programs such as the medi-care program. We haven't really lobbied that because whenever you gore some bodies Ox their going to react in a budget neutral situation. It may require other states to give up a little and or you add a little more money into the pot. I think it's good to look at the data. We can develop strategies down the road.

Judy Gaze I think this is good information to give to veteran organizations as well. Because this tells us as well is that the tax payers of California are providing a wonderful benefit for veterans and is costing the taxpayers a lot of money.

George Sinopoli a question back there?

David Salopek, Chairman Allied Council Yountville Mr. Chairman two items regarding this issue. One, the Secretary whom we admire and respect greatly at the Veterans Home of Yountville. We've received approximately 13 million from the Governors administration last year and in addition we received a COLA 4 times a year, \$300,000. That COLA did not go to the benefit of the veterans, or veteran's healthcare or veterans' expenditure, either in Yountville or at any other veterans group, it went directly to obligations directly to the general fund. And, we had hoped when we get through this tremendous dire fiscal straight that we're in the next couple years that we would consider these monies that the VA get directly for the benefit of veterans at Yountville and the other homes coming on board will go towards veterans rather than the general fund to reduce obligations for all the tax payers of the State of California. Secondly, this group of distinguish visitors may not be aware of Dr. Feldman's contributions where he was serving on active duty as a veteran. We received a wonderful accolade from the Secretary, from Ms Munoz in terms of his record, he served in the Marine Infantry Battalion, and he was decorated with a silver star for valor. In an independent operation he received a bronze star for valor as a navy physician which is highly highly unusual. And served veterans in a very gracious manner and it's a tremendous loss to this board and also to the health and welfare of veterans particularly those who are enjoying the comforts of a veteran's home we have presently. It's a great loss to all veterans, thank you.

George Sinopoli thank you for the tribute. We miss Dr. Feldman very much and we call him every once in a while, we send him a card but we wish him back to the board. Thank you. Any comments Mr. Secretary.

Secretary Johnson no

George Sinopoli any board members have comments. Regarding new board member status, we have a gentleman here right now and is observing what is going on pertaining to the board and I hope he gets considered to be a board member as soon as possible, right doctor. Review of appeal of Lawrence Gorfine, Farm and Home. Judy do you want to make a report on that, we can't act on it but we could here your report if you want to.

Judy Gaze well in a nut shell what Mr. Gorfine wants us to do is to have his Cal Vet Home loan that he took out in 1979 and he stopped paying, making his payments almost immediately and in the 80's basically what happened I think the department made some errors in the 80's and did not act on it in a expeditious way and he took that, he was told at one point and time, we'll get back to you and he took that as permission to not make any payments and so he did not make any payments for four or five years. So anyways he has gone to a couple of his state assembly members and had ask for review and that was done a couple of years ago and his loan was reinstated which I think was probably bending way backward from the state to help him and since all that time he has not done good in making his payments and so his request is for us to establish his loan balance at about \$10,000. I think the CalVet loan program shows that it is well over \$60,000 and so he is asking us to forgive that difference and so I have not talked to him but I have the chronology which is some seventeen pages long of issues with him and I will certainly call him but I right now don't think we would uphold the appeal.

George Sinopoli thank you Judy.

George Sinopoli I think we have had a great coverage pertaining to veterans homes Mr. Secretary, am I correct, were in pretty good shape this morning.

Secretary Johnson yes, may I mention three more things. First, with regards to veterans homes I appreciate your letter you sent out regarding nurses week, we do have health care and therapeutic environment in all of our homes, the nurses are the back bone of that, we depend on them 24 hours a day, seven days a week. I think we are going to do a lot more next year and I also sent out a note to all the nurses and we do appreciate them and they are the back bone of what we provide to all the residents and so thank you. Number two, I'm going to be speaking and making the rounds at a number of different veteran organizations in the next 6 weeks. I'll be speaking with the Amvets, the Disable American Veterans, and the American Legion with VFW. I just finished a meeting with all the county service officers and I will be getting out and about in the next six weeks and looking forward to meeting with all these groups. One final thing, I just appreciates the staff we have al the department. Bob did an excellent job today and you can see we have people like Debra at the CalVet program and Robert has been a superb addition to the department he really does know the legislative area as well as the communication area so we got a great people. We are missing a couple of key players, we no longer have deputy secretary for homes so all of the homes administrators report to me during the time we'll be looking for that person that can replace our departed deputy secretary and we also have not had a undersecretary, that is also a position that is an immense value to the department. We're looking to fulfill key roles but we have a great team and were looking for a good year coming up.

George Sinopoli Mr. Secretary on behalf of the board I want to thank you very very much for what you're are doing. I know you were handed a full plate and you are doing a hell of a good job cleaning that plate working for the veterans. The California Veterans Board and I want to thank you for that.

REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR APRIL 2004

George Sinopoli Judy, do you have anything from Farm and Home?

Judy Gaze we've been talking about some of the things already. One of the things is that we changed the interest rates for the Cal Vet home loan. We raised the rates to about a quarter percent and the reason for this is that interest rates are going up. We are still about a point and a half below what's available out in town, we will probably be raising the rates again. Obviously we are always looking at the balance of what our rates are compared to what they are out in town and what the cost of the bond money was that gave us the money and because the bond was lend over 10 to 15 years ago the average that would hang out is about 5%. So we are wanting to and it is good for the program that interest rates are going up because it will give us more money coming in that we could use. Debra is going to add some things.

Debra Lehr I just wanted to mention that we are going to exceed last years loan funding. In April we funded a total of 153 loans totaling \$31.4 million, a 7% decrease over March by number, but only a 1% decrease by dollar. Selection of an insurance broker has been completed through the request for qualifications, which started January 2004. Four brokers submitted very competitive written proposals and staff from three companies completed oral interviews on April 27, 2004. The panel final decision was on April 30, 2004. The incumbent, Marsh & McLennan was selected to be the insurance broker. This RFQ process has saved the Department approximately \$240,000 for the next three year brokerage term. A benefit, which provides loans to widows of veterans, killed while on active duty. We recently made a loan to a widow whose husband was killed in Afghanistan. We hope not to make too many of these types of loans.

Judy Gaze one thing I like to add is when your talking to your membership on the cal vet home loan programs you can apply on line. It is a win, win situation, people can see their own application on their own time at home or at any place they have a computer. Please make them aware that this service it is available.

Debra Lehr our application on line has gone up 33%. We hope next year we'll be up by 50%.

George Sinopoli we tried to advertise where we meet, we try to meet through out the state, we stopped there for a while because the funds restrict us but we are trying to get out to the public. Debra talked about the telephone. For years now people would complain, they would call with no return call. I asked my Executive Officer because she would eventually getting the telephone calls of a disgruntled veteran. I asked her to keep a log. She kept a log and privately gave it to the Secretary. The Secretary did a good job in taking care of it. Mr. Secretary I thank you for your staff working out the situation for the veteran. Anything on Veteran Services?

Judy Gaze yes, on line brochures available. Check CDVA website for online items. \$5,000 grant program for homeless program available for homeless outreach program. Vandalism done to Vietnam veteran memorial, contracting for repairs. Veterans licensed plates being advertised with DMV renewals. Money goes to veteran services organizations.

George Sinopoli marketing keeps coming up. We need to tell others about the homes, loans, to where the veterans live. Secretary is doing a great job pushing that program. Policy and procedures we need to

redo. We need board members to do that. Contracts, there are no contracts that were sent to me. Leo do you have anything on legislation?

Leo Burke, Vice Chairman we don't have a quorum so I can't recommend any at this time.

George Sinopoli recognition and awards. We need to recognize even the auxiliary women who volunteer. I need to hear from you and recognize people, I need to hear from you. Need to hear of what they have done so we can take care of it.

Joe Maguire Beginning of May of this year, we have had 7 board of control claims, 11 department of health citations, 2 insurance related cases, 23 civil litigation, 10 legal opinions, 10 personnel actions, 1 case involving policies and procedures, 12 other miscellaneous projects, 3 public record act request, 3 quiet title litigation cases, 5 motion from release of stays, 11 unlawful detainer.

Secretary Johnson other than that we are doing ok.

George Sinopoli Joe does a great job, legal does a great job for the department.

PUBLIC COMMENT – THREE MINUTE LIMIT

Audience

FUTURE MEETING DATES AND LOCATIONS:

All meetings take place on Friday unless notified.

Next board meeting will be determined and posted on website.

Yearly schedule is posted on web site: www.cdva.ca.gov/board

CLOSED SESSION (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 11:16 a.m.
- These minutes are only a summary of the proceeding portions are reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at www.cdva.ca.gov/board

ADJOURNED at 11:16 a.m.